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FISCAL IMPACT REPORT

ORIGINAL DATE 02/08/10

SPONSOR Ryan LAST UPDATED _____ HB _____

SHORT TITLE Limit Employees in Executive Branch SB 127

ANALYST Varela

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY10	FY11		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY10	FY11	FY12	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		Indeterminate	Indeterminate	Indeterminate		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Transportation (DOT)

State Personnel Office (SPO)

SUMMARY

Synopsis of Bill

Senate Bill 127 provides that no more than 165 exempt employees under the Personnel Act may be maintained in executive department agencies, including not more than twenty in the Governor's office. SB127 does not apply to exempt employees under the control of the Attorney General, State Auditor, Secretary of State, State Treasurer, Public Regulation Commission, Commissioner of Public Lands and Lieutenant Governor.

FISCAL IMPLICATIONS

Limiting the number of exempt positions would result in operational cost savings within the personal costs and employee benefits category. In FY10, there is an estimated 816 exempt employees within state government. Limiting the executive branch to 165 would reduce the amounts spent on salaries for exempt positions.

According to SPO, the department does not administer the executive exempt salary plan. SPO does not have enough data regarding the number of executive exempt employees and average total compensation to estimate any potential costs or savings associated with the limit of 165 exempt employees.

DOT reports that there would be fiscal implications if DOT lost any of the three remaining governor exempt positions. The annual cost for these three positions with salary and medical insurance is \$271 thousand. In addition, there would be a reduction in key administrative functions and responsibility necessary to carry out the daily operations of DOT.

SIGNIFICANT ISSUES

It is unclear how the 165 exempt employee positions will be deployed throughout the numerous departments.

PERFORMANCE IMPLICATIONS

It is unclear how this bill would affect the performance of agencies by limiting the number of exempt positions.

PTV/mew